TOHTONKU SDN. BHD.

v.

SUPERACE (M) SDN. BHD.

HIGH COURT MALAYA, PULAU PINANG
WAN ADNAN J
[ORIGINATING MOTION NO. 32-48-88]
3 FEBRUARY 1989

CIVIL PROCEDURE: *Application by intervener - For leave to intervene under O. 15 r. 6(2)(b)(ii) of RHC - To set aside order obtained ex parte - Whether mere commercial interest constituted locus standi - Whether Court could review a perfected order.*

TRADEMARKS: *- Section 16(1)(a) of the Trade Descriptions Act 1972 - Alleged infringement of trade mark - Question of resemblance and likelihood of deception or confusion.*

The applicant, Tohtonku Sdn. Bhd. is the registered proprietor of the trade mark "Mister" used in relation to condoms. By way of an originating motion they had applied for an order pursuant to s. 16 of the Trade Descriptions Act 1972 alleging that their rights to their trade mark were being infringed in the course of trade. Order in terms of the application was granted by the Court.

Subsequently, the intervener Superace (M) Sdn. Bhd. and in this case the registered proprietor of the trade mark "Sister" used in relation to condoms as well, applied to the Court by way of summons for leave to intervene and be the respondent in the action. At the same time, the intervener applied to set aside the order of Court made *ex parte* obtained by the applicant.

At the hearing, the applicant's Counsel raised 2 preliminary objections: (a) The intending intervener had no *locus standi* as a mere commercial interest was not sufficient, and (b) since the order of the Court had been perfected the Court could not review it any longer.

The Court resolved the issues in the following manner:

(a) A person who wants to intervene must show that he has some interest which is directly related to the subject matter of the action. A mere commercial interest in the outcome is not enough. He will be allowed to intervene if his rights or liabilities in respect of the subject matter of the action will be directly affected by any order of the Court in the action. In this case, the intervener as the distributor of condoms bearing the mark "Sister" certainly has direct interest in the matter because any finding of the Court will directly affect the intervener.

(b) the order of the Court was given *ex parte*. An *ex parte* order is always a provisional order which is liable to be set aside by the Court on the application of any person who is affected by the order. In view thereof, the Court rejected the preliminary objections and granted leave to intervene and went on to consider the application proper by merits.

Held:

[1] To determine whether there was infringement in the matter, the question is therefore whether the mark "SISTER" used by the intervener so nearly resembles the applicant's trade mark "MISTER" as to be likely to deceive or cause confusion.

[2] The question of resemblance and the likelihood of deception are to be considered by reference not only to the whole mark but also to its distinguishing or essential features.

[3] There is no close similarity between the two words "MISTER" and "SISTER" even though there are two similar features in the two marks. The words are different and as a whole the similarity is not close enough as to be likely to cause deception or confusion. By considering the two marks together with their features it is not likely that ordinary purchasers would be deceived into regarding the intervener's product to be the product of the applicant.

[Order in terms of application set aside. Costs to be paid by the applicant.]

Cases referred to:
Sanders Lead Co. Inc. v. Entores Metal Brokers Ltd. [1984] 1 All ER 857
Pegang Mining Co. Ltd v. Choong Sam & Ors. [1969] 2 MLJ 52
Eh Riyid v. Eh Tek [1976] 1 MLJ 262
Socooil Corporation Bhd. v. Ng Foo Chong & Anor. [1981] 2 MLJ 7
Saville Perfumery Ltd. v. June Perfect Ltd. and F.W. Woolworth & Co. Ltd. [1941] 58 RPC 147

Legislation referred to:
Rules of the High Court 1980, O. 15 r. 6(2)(b)(ii)
Trade Descriptions Act 1972, s. 16(1)(a)
Trade Marks Act 1976, ss. 35, 38

For the applicant - Peter Huang (Tan Beng Hong with him) M/s Peter Huang & Associates
For the intervener/respondent - Choy Kam Lee (Lai Kok Cheow with him) M/s. K.C. Lai & Co.

JUDGMENT

Wan Adnan J:

The applicant, Tohtonku Sendirian Bhd. is the registered proprietor of the trade mark 'MISTER'. By the notice of motion in Origination Motion No. 32-48-1988 the applicant had applied for an order pursuant to s. 16 of the Trade Descriptions Act 1972. The application was made and heard *ex parte*. The order in terms of the application was granted on 5 October 1988.

By the summons dated 7 December 1988 Superace (M) Sdn. Bhd., the intervener, had applied to the Court for the following orders:

1. Leave of this Honourable Court be granted to the intervener to intervene in this action and that the intervener be the respondent in this motion.

2. The order obtained on 5 October 1988 be set aside, rescinded or varied as this Honourable Court deems fit and proper.

3. That an injunction be granted against the applicant, its agents, servants or otherwise from harassing, interfering, obstructing or restraining the intervener and its customers from exercising its rights and freedom of trade or business.

4. The applicant pay damages to the intervener and the assessment of damages be taken from the Senior Assistant Registrar or as directed by this Honourable Court.

5. The applicant pay costs.

6. Such further or other order as this Honourable Court deems fit and proper.

(Note: Prayer (3) and (4) were withdrawn during the hearing of the application)

Counsel for the applicant raised a preliminary objection at the hearing of the application. It was contended that the intending intervener had no *locus standi*. They had no interest in the matter at all and should not be allowed to be heard. A mere commercial interest was not sufficient. It was contended that as the order of the Court had been perfected the Court could not review it any longer. The intervener could only proceed by way of a separate action.

The application for leave to intervene is made under O. 15 r. 6(2)(b)(ii) of the Rules of the High Court which states as follows:

> At any stage of the proceedings in any cause or matter the Court may on such terms as it thinks just and either of its own motion or on application:
>
> (a) ...
>
> (b) order any of the following persons to be added as a party, namely,
>
> (i)
>
> (ii) any person between whom and any party to the cause or matter there may exist a question or issue arising out of or relating to or connected with any relief or remedy claimed in the opinion of the Court it would be just and convenient to determine as between and him and that party as well as between the parties to the cause or matter.

This rule is in *para materia* with O. 15 r. 6(2)(b)(ii) of the English Rules of the Supreme Court. In *Sanders Lead Co. Inc. v. Entores Metal Brokers Ltd.* [1984] 1 All ER 857 Kerr LJ said of the rule as follows:

> In my view the rule requires some interest in the would-be intervener which is in some way directly related to the subject matter of the action. A mere commercial interest in its outcome, divorced from the subject matter of the action is not enough. It may be impossible, and would in any event be undesirable, to attempt to categorise the situations in which the interests of the would-be interveners are sufficient to satisfy the requirements of the rule. The authorities show that the existence of a cause of action between the intervener and one of the parties is not a necessary prerequisite for this purpose. But they also go no further than to show that there must be some direct interest in the subject matter, such as an alleged infringement of a patent, trade mark or copyright with which the intervener is concerned.

In *Pegang Mining Co. Ltd v. Choong Sam & Ors.* [1969] 2 MLJ 52 the Privy Council had occasion to consider O. 16 r. 11 of the Rules of the Supreme Court 1957 which is in substantially the same terms as the present O. 15 r. 6(2)(b)(ii). Lord Diplock said:

> It has been sometimes said ... that a party may be added if his legal interests will be affected by the judgment in the action but not if his commercial interests only would be affected. While their Lordships agree that the mere fact that a person is likely to be better off financially if a case is decided one way rather than another is not party, they do not find the dichotomy between "legal" and "commercial" interests helpful. A better way of expressing the test is: will his rights against or liabilities to any party to the action in respect of the subject matter of the action be directly affected by any order which may be made in the action?

It was also stated in that case that

> one of the principal objects of the rule is to enable the Court to prevent injustice being done to a person whose rights will be affected by its judgment by proceeding to adjudicate upon the matter in dispute in the action without his being given an opportunity of being heard.

This principle was followed by the Federal Court in *Eh Riyid v. Eh Tek* [1976] 1 MLJ 262.

It is therefore clear that a person who wants to intervene must show that he has some interest which is directly related to the subject matter of the action. A mere commercial interest in the outcome is not enough. He will be allowed to intervene if his rights or liabilities in respect of the subject matter of the action will be directly affected by any order of the Court in the action. To prevent injustice being done the Court should allow a person whose rights will be affected by its judgment an opportunity of being heard.

The intended intervener is the sole distributor of condoms SISTER 003. The applicant in their application for the order under s. 16 of the Trade Descriptions Act 1972 had alleged that they were the registered proprietor of the trade mark MISTER and that their rights in respect thereof were being infringed. To prove the alleged infringement a photocopy of the alleged infringing product was exhibited as Exhibit LHT7 to the affidavit of Lim Hooi Teik, the assistant managing director of the applicant. At the hearing of the application, Counsel for the applicant tendered as exhibits the applicant's product and the alleged infringing product. They were marked as P1 and P2 respectively. What was shown in Exhibit LHT7 and P2 was the intervener's product. The allegation of the applicant was in effect that it was the intervener's product using the mark SISTER that had infringed their rights in respect of the trade mark MISTER. The 'subject matter' before the Court was therefore whether or not rights of the applicant in respect of the trade mark MISTER had been infringed by the intervener's use of the mark SISTER. The intervener as the distributor certainly has direct interest in the matter. Any finding of the Court in the matter will directly affect the intervener.

I therefore held that the intervener has satisfied the requirements of O. 15 r. 6(2)(b)(ii) and therefore should be allowed to intervene.

The other point raised in the preliminary objection was that the Court could no longer review its order because the order had been perfected.

The order of the Court was given *ex parte*. An *ex parte* order is always a provisional order which is always liable to be set aside by the Court on the application of any person who is affected by the order.

In the Supreme Court case of *Socooil Corporation Bhd. v. Ng Foo Chong & Anor*. [1981] 2 MLJ 7, the position was the same as in the present case. An *ex parte* order was made under s. 16 of the Trade Descriptions Act 1972. An application to discharge the order was entertained. No objection was raised in that case and therefore the case cannot be regarded as an authority that the Court can review its own *ex parte* order made under s. 16 of the Trade Descriptions Act 1972 after it has been perfected. Nevertheless it does give some guidance. I am of the view that the Court can review the *ex parte* order.

For the above reasons I rejected the preliminary objection and granted leave to intervene.

I now come to the merits of the application proper.

This is an application by the intervener, Superace (M) Sdn. Bhd., to set aside the order of the Court made *ex parte* on 5 October 1988. The order was made on the application of the applicant under s. 16(1)(a) of the Trade Descriptions Act 1972. The applicant had alleged that their rights to their trade mark were being infringed in the course of trade.

The applicant is the proprietor of the trade mark "MISTER" used in relation to condoms and had manufactured and/or distributed condoms under the name of 'MISTER 003', 'MISTER 002', 'MISTER CONTOUR', 'MISTER dotted' and 'MISTER sweet rider'. The applicant alleged that in May 1988 there were found in the open market condoms bearing the mark 'SISTER 003' and alleged that the use of the mark 'SISTER' had infringed their registered trade mark 'MISTER'.

Under s. 35 of the Trade Marks Act 1976 the registration of a person as registered proprietor of a mark in respect of any goods shall, if valid, give or be deemed to have been given to that person the exclusive right to the use of the trade mark in relation to those goods.

Section 16(1)(a) of the Trade Description states as follows:

> 16. (1) Where any person being a proprietor or registered user of a registered trade mark within the meaning of any written law relating to trade marks or being otherwise entitled at law to the protection of a trade or other mark or get-up for any goods or services established:
>
> (a) in the case of a registered trade mark, that his right in respect of such trade mark are being infringed in the course of trade within the meaning of the written law; or
>
> (b) ...
>
> the High Court may on the application of such person make an order declaring that the infringing trade or other mark or get-up as the case may be is for the purposes of this Act a false trade description in its application to such goods as may be specified in the order.

The written law referred to in the above section is the Trade Marks Act 1976. Under s. 38 of the Act a registered trade mark is infringed by a person who uses a mark which is identical with it so nearly resembling it as is likely to deceive or cause confusion in the course of trade in relation to goods in respect of which the trade mark is registered in such a manner as to render the use of the mark likely to be taken as being use as a trade mark.

The question is therefore whether the mark 'SISTER' used by the intervener so nearly resembles the application's trade mark 'MISTER' as to be likely to deceive or cause confusion.

In *Saville Perfumery Ltd. v. June Perfect Ltd. and F.W. Woolworth & Co. Ltd.* [1941] 58 RPC 147, the following test of infringement was approved:

> Infringement is the use by the defendant for trade purposes upon or in connection with goods of the kind of which the plaintiff's right to exclusive use exists, not being the goods of the plaintiff, of a mark identical with the plaintiff's mark or comprising some of its essential features, or colourably resembling it so as to be calculated to cause goods to be taken by ordinary purchasers for the goods of the plaintiff.

The question of resemblance and the likelihood of deception are to be considered by reference not only to the whole mark but also to its distinguishing or essential features.

In this case there are two features of the two marks which are similar namely, red in colour and split in wording. But there is no close similarity between the two words 'MISTER' and 'SISTER' as to be likely to cause deception or confusion. The words are different. There is similarity in the second syllable but as a whole the similarity is not close enough as to be likely to cause deception or confusion. Further, the get-up of the intervener's product is green background colour with the picture of a lady whereas the get-up of the application's product is white-blue-grey background colour with the picture of a lady and a man.

Applying the above test and considering the appearance of the two marks together with their features I find that it is not likely that ordinary purchasers would be deceived into regarding the intervener's product to be the product of the applicant. I therefore find that the applicant's rights in respect of the trade mark 'MISTER' are not being infringed and therefore the applicant is not entitled to the order under s. 16(1)(a) of the Trade Descriptions Act 1972. I therefore set aside the order made on 5 October 1988. I also ordered the applicant to pay the costs.

Also found at [1989] 1 CLJ 1128